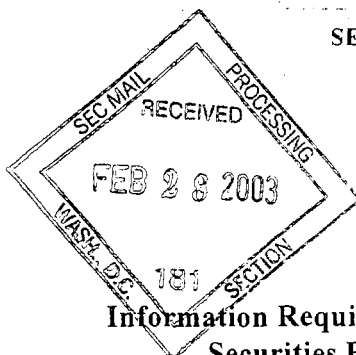


So 3/16/03 #13



SECUR 03014137 MISSION

**ANNUAL AUDITED REPORT
FORM X-17A-5
PART III**

OMB APPROVAL	
OMB Number:	3235-0123
Expires:	October 31, 2004
Estimated average burden hours per response.....	12.00

SEC FILE NUMBER
8- 04155

FACING PAGE

**Information Required of Brokers and Dealers Pursuant to Section 17 of the
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder**

REPORT FOR THE PERIOD BEGINNING April 1, 2002 AND ENDING December 31, 2002
MM/DD/YY MM/DD/YY

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER:

Archer Alexander Securities Corporation
ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

9401 Indian Creek Parkway, Suite 480

(No. and Street)

Overland Park

Kansas

66210

(City)

(State)

(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

(Area Code - Telephone Number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report*

Ronald L. Minda, CPA CHARTERED

(Name - if individual, state last, first, middle name)

4200 Somerset Drive

Prairie Village

Kansas

66208

(Address)

(City)

(State)

(Zip Code)

CHECK ONE:

- ☒ Certified Public Accountant
☐ Public Accountant
☐ Accountant not resident in United States or any of its possessions.

PROCESSED

MAR 13 2003

FOR OFFICIAL USE ONLY

**THOMSON
FINANCIAL**

*Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

ARCHER ALEXANDER SECURITIES CORPORATION
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2002

OATH OR AFFIRMATION

I, John M. Repine, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Archer Alexander Securities Corporation, as of December 31, 2002, are true and correct. I further swear (or affirm) that neither the company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:



John M. Repine
Signature
CEO
Title

Janet Stevenson
Notary Public
My appointment expires January 4, 2005

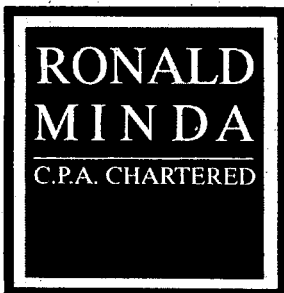
This report ** contains (check all applicable boxes):

- ☒ (a) Facing Page.
- ☒ (b) Statement of Financial Condition.
- ☒ (c) Statement of Income (Loss).
- ☒ (d) Statement of Changes in Financial Condition.
- ☒ (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital.
- ☐ (f) Statement of Changes in Liabilities Subordinated to Claims of Creditors.
- ☒ (g) Computation of Net Capital.
- ☐ (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3.
- ☐ (i) Information Relating to the Possession or Control Requirements Under Rule 15c3-3.
- ☒ (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for Determination of the Reserve Requirements Under Exhibit A of Rule 15c3-3.
- ☐ (k) A Reconciliation between the audited and unaudited Statements of Financial Condition with respect to methods of consolidation.
- ☒ (l) An Oath or Affirmation.
- ☐ (m) A copy of the SIPC Supplemental Report.
- ☒ (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.

**For conditions of confidential treatment of certain portions of this filing, see section 240.17a-5(e)(3).

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT	1
 FINANCIAL STATEMENTS	
Balance Sheet.....	2
Statement of Income.....	3
Statement of Shareholder's Equity.....	4
Statement of Cash Flows	5
Notes to Financial Statements	6-7
 SUPPLEMENTARY INFORMATION	
Independent Auditor's Report on Supplementary Information Required by Rule 17A-5 of the Securities and Exchange Commission	8
Computation of Net Capital.....	9
Statement of Reconciliation on Statement of Financial Position	10
Independent Auditor's Report on Internal Control	11-12



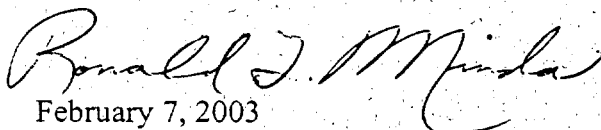
INDEPENDENT AUDITOR'S REPORT

Board of Directors
Archer Alexander Securities Corporation
Overland Park, Kansas

I have audited the accompanying balance sheet of **Archer Alexander Securities Corporation** as of December 31, 2002, and the related statements of income, shareholder's equity and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of **Archer Alexander Securities Corporation** as of December 31, 2002, and the results of its operations and its cash flows for the year then ended in conformity with generally accepted accounting principles.


February 7, 2003

ARCHER ALEXANDER SECURITIES CORPORATION
BALANCE SHEET
DECEMBER 31, 2002

ASSETS

CURRENT ASSETS:

Cash	\$ 182,299	
Commissions Receivable	436,016	
Investments - Clearing Deposit	33,000	
Prepaid items	21,251	
Accounts Receivable - Other	<u>20,240</u>	
Total Current Assets		\$ 692,806

FIXED ASSETS:

Furniture and Fixtures	21,199	
Less: Allowance for depreciation	<u>10,600</u>	<u>10,599</u>

OTHER ASSETS:

Organization Costs	20,916	
Less: Amortization	<u>17,489</u>	<u>3,427</u>

TOTAL ASSETS		<u>\$ 706,832</u>
---------------------	--	--------------------------

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES:

Commissions payable	\$ 460,884	
Accounts payable and Accrued Items	<u>46,473</u>	
Total Current Liabilities		<u>\$ 507,357</u>

STOCKHOLDERS' EQUITY:

Capital stock issued - 10,000 shares at \$1.00 par value	10,000	
Paid in capital	11,123	
Retained earnings	<u>178,352</u>	
Total Stockholders' Equity		<u>199,475</u>

TOTAL LIABILITIES AND EQUITY		<u>\$ 706,832</u>
-------------------------------------	--	--------------------------

See Notes to Financial Statements.

ARCHER ALEXANDER SECURITIES CORPORATION
STATEMENT OF INCOME
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002

REVENUE:

Commission income	\$ 2,605,375
Interest income	56,031
Other income	<u>34,995</u>

TOTAL REVENUE	<u>2,696,401</u>
----------------------	-------------------------

EXPENSES:

Commission expense	2,245,007
Insurance	31,654
Rent	38,268
Telephone	9,431
Interest	1,197
Clearing expense	3,639
Printing and office supplies	48,056
Licenses, permits and fees	60,709
Depreciation and amortization	6,231
Professional fees	7,220
Travel and entertainment	6,311
Payroll expenses	243,556
Recruiting	<u>2,405</u>

TOTAL EXPENSES	<u>2,703,684</u>
-----------------------	-------------------------

NET INCOME	<u><u>\$ (7,283)</u></u>
-------------------	---------------------------------

ARCHER ALEXANDER SECURITIES CORPORATION
STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002

	<u>Capital Stock</u>	<u>Paid In Capital</u>	<u>Retained Earnings (Accumulated Deficit)</u>	<u>Total</u>
BALANCE – April 1, 2002	\$10,000	\$38,123	\$ 185,635	\$233,758
Add:				
Capital stock	---	---	---	---
Paid in capital	---	(27,000)	---	(27,000)
Net income (loss)	<u>---</u>	<u>---</u>	<u>(7,283)</u>	<u>(7,283)</u>
BALANCE – December 31, 2002	<u>\$10,000</u>	<u>\$11,123</u>	<u>\$ 178,352</u>	<u>\$199,475</u>

See Notes to Financial Statements.

ARCHER ALEXANDER SECURITIES CORPORATION
STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ (7,283)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:	
Depreciation and amortization	6,231
Decrease (increase) in assets -	
(Increase) decrease in receivables	(362,395)
(Increase) decrease in investments	32,562
(Increase) decrease in prepaid items	(11,370)
(Increase) decrease in liabilities -	
Increase (decrease) in commissions and accounts payable	<u>(396,752)</u>

NET INCREASE/(DECREASE) IN CASH FLOWS FROM OPERATING ACTIVITIES

54,497

CASH FLOWS FROM FINANCING ACTIVITIES

Paid in capital	<u>(27,000)</u>
-----------------	-----------------

NET INCREASE/(DECREASE) IN CASH

27,497

CASH - April 1, 2002

154,802

CASH - December 31, 2002

\$ 182,299

See Notes to Financial Statements.

**ARCHER ALEXANDER SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002**

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

Business Activity

Archer Alexander Securities Corporation (AASC) is a registered broker-dealer having all customer transactions cleared through other broker-dealers on a fully disclosed basis. AASC is a wholly-owned subsidiary of Great Plains Capital Corporation. AASC acquired the S.E.C. license of Benefit & Investment Solutions, Inc., which ceased operations in September 1998.

Securities Transactions

Customers' securities transactions and the related commission income and expenses are recorded on a settlement date basis. Had these transactions been recorded on a trade date basis, the effect on the accompanying financial statements would not have been significant.

Registration and Regulator Fees

AASC charges the cost of registration and regulatory fees to expense in the period to which those fees apply.

Furniture and Equipment

Furniture and equipment are stated at cost, less accumulated depreciation. Provisions for depreciation included in operating expenses are computed on the straight line method over the estimated useful lives of the assets. The cost of maintenance and repairs is charged to income as incurred, whereas major repairs that extend the useful lives of the furniture and equipment are capitalized.

NOTE 2: CASH ON DEPOSIT WITH CLEARING BROKER

Cash balances of \$33,000 on deposit with clearing brokers are maintained as collateral for customers' open security transactions.

ARCHER ALEXANDER SECURITIES CORPORATION
NOTES TO FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED DECEMBER 31, 2002
(Continued)

NOTE 3: NET CAPITAL REQUIREMENTS

The Company is subject to the Securities and Exchange Commission Uniform Net Capital Rule (Rule 15c 3-1), which requires the maintenance of minimum net capital and requires that the ratio of aggregate indebtedness to net capital, both as defined, shall not exceed 15 to 1. At December 31, 2002, AASC had net capital of \$133,958, which was \$100,133 in excess of its required minimum dollar net capital of \$33,825. The Company's net capital ratio was 3.78 to 1. The amount of aggregate indebtedness at December 31, 2002 was \$507,357.

NOTE 4: INCOME TAXES

The Company is included in the Consolidated Income Tax Return of its parent, Great Plains Capital Corporation. There was no income tax liability for the nine months ended December 31, 2002..

NOTE 5: RELATED PARTY TRANSACTION

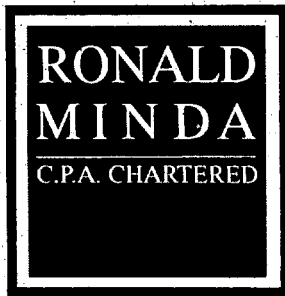
Amounts due from or due to related parties at December 31, 2002 is as follows:

	<u>2001</u>
Commissions and accounts payable	<u>\$15,851</u>

NOTE 6: COMMITMENTS

The Company leases its facilities through a sub-lease that expires on September 30, 2004. Minimum rental commitments in excess of one year are as follows:

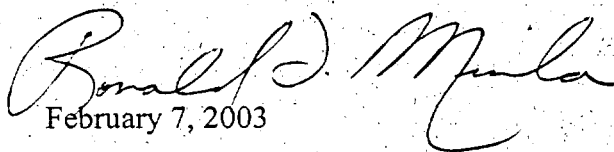
December 31, 2003	\$51,983
December 31, 2004	\$38,987



***INDEPENDENT AUDITOR'S REPORT
ON SUPPLEMENTARY INFORMATION REQUIRED BY
RULE 17A-5 OF THE SECURITIES AND EXCHANGE COMMISSION***

Board of Directors
Archer Alexander Securities Corporation
Mission, Kansas

I have audited the accompanying financial statements of Archer Alexander Securities Corporation as of and for the year ended December 31, 2002 and have issued my report thereon dated February 7, 2003. My audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The information contained in Form X-17A-5 is presented for purposes of additional analysis and is not a required part of the basic financial statements, but is supplementary information required by Rule 17A-5 of the Securities and Exchange Commission. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, is fairly stated in all material respects in relation to the basic financial statement taken as a whole.


February 7, 2003

**ARCHER ALEXANDER SECURITIES CORPORATION
COMPUTATION OF NET CAPITAL UNDER RULE 15c3-1
OF THE SECURITIES AND EXCHANGE COMMISSION
AS OF DECEMBER 31, 2002**

SCHEDULE I

NET CAPITAL:

Total stockholders' equity qualified for net capital	\$ 199,475
--	------------

Deductions and/or charges

Non-allowable assets:

Furniture and equipment	\$ 10,599		
Prepaid expenses	21,251		
Other assets	<u>23,667</u>		<u>55,517</u>

Net capital before haircuts and other deductions	143,958
--	---------

Bonding deductions	<u>(10,000)</u>
--------------------	-----------------

TOTAL NET CAPITAL	<u>\$ 133,958</u>
--------------------------	--------------------------

AGGREGATE INDEBTEDNESS

Items included in statement of financial condition:

Commissions and accounts payable	<u>\$ 507,357</u>
----------------------------------	-------------------

TOTAL AGGREGATE INDEBTEDNESS	<u>\$ 507,357</u>
-------------------------------------	--------------------------

**COMPUTATION OF BASIC NET CAPITAL
REQUIREMENTS:**

Minimum net capital required	<u>\$ 33,825</u>
------------------------------	------------------

Excess net capital at 1,000%	<u>\$ 83,222</u>
------------------------------	------------------

Percentage of aggregate indebtedness to net capital	<u>378%</u>
---	-------------

Minimum dollar net capital required	<u>\$ 5,000</u>
-------------------------------------	-----------------

Excess net capital	<u>\$ 100,133</u>
--------------------	-------------------

ARCHER ALEXANDER SECURITIES CORPORATION
STATEMENT OF RECONCILIATION
ON STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2002

ASSETS

	* Originally Reported (Part II) (Unaudited)	Adjustments	Adjusted Amount (Audited)
ASSETS			
Cash	\$ 182,299		\$ 182,299
Clearance Account	33,000		33,000
Receivables – broker dealers	436,016		436,016
Furniture and fixtures	10,599		10,599
Other receivables	240	(A) 20,000	40,200
Other assets	44,678	(A) (20,000)	16,445
TOTAL ASSETS	<u>706,832</u>	<u>-0-</u>	<u>706,832</u>
Total Assets - Allowable	651,315		651,315
Total Assets - Non-allowable	<u>55,517</u>		<u>55,517</u>
TOTAL ASSETS	<u>\$ 706,832</u>		<u>\$ 706,832</u>

LIABILITIES AND FUND BALANCES

LIABILITIES AND STOCKHOLDER'S EQUITY

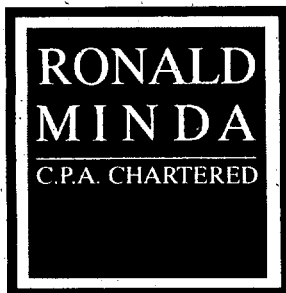
Payable to broker and dealers	\$ 505,132	(A) (44,248)	\$ 460,884
Accounts payable	<u>2,225</u>	(A) 44,248	<u>46,473</u>
TOTAL LIABILITIES	<u>507,357</u>	<u>-0-</u>	<u>507,357</u>
TOTAL LIABILITIES – NON AI	2,225	(A) (2,225)	-0-
TOTAL LIABILITIES - AI	<u>505,132</u>	(A) 2,225	<u>507,357</u>
	<u>507,357</u>	<u>-0-</u>	<u>507,357</u>

STOCKHOLDERS EQUITY

Common stock	10,000		10,000
Paid-in capital	11,123		11,123
Retained earnings	<u>178,352</u>		<u>178,352</u>
TOTAL STOCKHOLDER'S EQUITY	<u>199,475</u>		<u>199,475</u>
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	<u>\$ 706,832</u>		<u>\$ 706,832</u>

* Refers to the most recent unaudited pages 1 to 4, Part II of Form X 17A-5 filed by Archer Alexander Securities Corporation as of December 31, 2002.

(A) – Reclassifications



***INDEPENDENT AUDITOR'S REPORT
ON INTERNAL ACCOUNTING CONTROL
REQUIRED BY SEC RULE 17a-5***

Board of Directors
Archer Alexander Securities Corporation
Overland Park, Kansas

In planning and performing my audit of the financial statements of Archer Alexander Securities Corporation for the year ended December 31, 2002, I considered its internal control structure, including procedures for safeguarding securities, in order to determine my auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control structure.

Also, as required by Rule 17a-5 (g)(1) of the Securities and Exchange Commission, I have made a study of the practices and procedures (including tests of compliance with such practices and procedures) followed by Archer Alexander Securities Corporation that I considered relevant to the objectives stated in Rule 17a-5(g). I also made a study of the practices and procedures followed by the Company in making the periodic computations of aggregate indebtedness and net capital under Rule 17a-3(a)(11) and the procedures for determining compliance with the exemptive provisions of Rule 15c3-3 Section (k)(2)(ii). I did not review the practices and procedures followed by the Company in making the quarterly securities examinations, counts, verifications and comparisons, and the recordation of differences required by Rule 17a-13 or in complying with the requirements for prompt payment for securities under Section 8 of Regulation T of the Board of Governors of the Federal Reserve System, because the Company does not carry security accounts for customers or perform custodial functions relating to customer securities.

The management of the company is responsible for establishing and maintaining an internal control structure and the practices and procedures referred to in the preceding paragraph. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures and of the practices and procedures referred to in the preceding paragraph and to assess whether those practices and procedures can be expected to achieve the Commission's above-

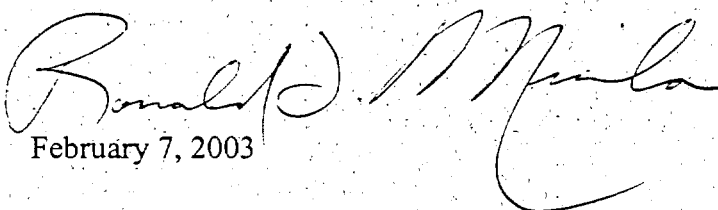
mentioned objectives. Two of the objectives of an internal control structure and the practices and procedures are to provide management with reasonable, but not absolute, assurance that assets for which the Company has responsibility are safeguarded against loss from unauthorized use or disposition and that transactions are executed in accordance with management's authorization and recorded properly to permit preparation of financial statements in conformity with generally accepted accounting principles. Rule 17a-5(g) lists additional objectives of the practices and procedures listed in the preceding paragraph.

Because of inherent limitations in any internal control structure or the practices and procedures referred to above, errors or irregularities may occur and not be detected. Also, projection of any evaluation of them to future periods is subject to the risk that they may become inadequate because of changes in conditions or that the effectiveness of their design and operation may deteriorate.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. However, I noted no matters involving the internal control structure, including procedures for safeguarding securities, that I consider to be material weaknesses as defined above.

I understand that practices and procedures that accomplish the objectives referred to in the second paragraph of this report are considered by the Commission to be adequate for its purposes in accordance with the Securities Exchange Act of 1934 and related regulations, and that practices and procedures that do not accomplish such objectives in all material respects indicate a material inadequacy for such purposes. Based on this understanding and on my study, I believe that the Company's practices and procedures were adequate at December 31, 2002 to meet the Commission's objectives.

This report is intended solely for the use of management, the Securities and Exchange Commission and other regulatory agencies which rely of Rule 17a-5(g) under the Securities Exchange Act of 1934 and should not be used for any other purpose.


February 7, 2003